



Committee on Foreign Affairs

CHAIRMAN ILEANA ROS-LEHTINEN



Ros-Lehtinen Opening Statement at Hearing on U.S. Agency for International Development, Millennium Challenge Corporation Budgets

(WASHINGTON) – U.S. Rep. Ileana Ros-Lehtinen (R-FL), Chairman of the House Foreign Affairs Committee, made the following opening statement earlier today at a Committee hearing entitled, “The Agency for International Development and the Millennium Challenge Corporation: Fiscal Year 2012 Budget Requests and Future Directions in Foreign Assistance.”

“There is little that is discussed here in the Congress these days that does not immediately run up against the issue of our nation’s fiscal situation. Today’s hearing is no exception. Our government’s vast annual deficit, the rapid run-up of the public debt, the borrowing and, indeed, the outright printing of dollars to pay that deficit and debt, have become extraordinarily critical issues.

“This is not simply a crisis at the Federal level, but also a crisis for state and local governments, and many individual Americans as well. It is a crisis that appears in newspaper stories every day, with headlines like: ‘From California to New York, States are Facing Monstrous Deficits,’ and ‘Cities in Debt Turn to States, Adding Strain.’

“With such stories in mind, it is easy to understand why the American people are demanding that we carefully scrutinize our government spending, both domestic and foreign, both large and small.

“A rate of increasing our budgets, such as the 2-year increase of an estimated 57% in USAID’s budget between Fiscal Year 2008 and Fiscal Year 2010 or the estimated 147% increase in USAID’s budget between Fiscal Year 2001 and Fiscal Year 2010, is just not feasible in light of what is happening here at home. Those who complain about diminished levels of U.S. aid funding need to ask themselves: How much less would an insolvent United States be able to do?

“There are, in fact, freezes or cuts that can be made that would actually help us maintain our efforts to help the most impoverished people abroad who truly need our help.

“We can take greater steps toward using small-scale education vouchers of just a few dollars or less to help parents in poor countries choose their children’s schools. This will help them get around the wasteful, corrupt bureaucracies that tend to expend large sums while not always providing poor children with a good education.

“If we cut our Development Assistance funding, we can move some of that funding to USAID’s Development Credit Authority program, which has a proven track record of leveraging about \$28 dollars in private funds in support of development for every dollar provided by USAID.

“As we cut elsewhere, we can move more funding to USAID’s Global Development Alliance program, which, again, leverages private capital in support of development, focusing on partnerships with corporations and major private donors, who can contribute large, matching sums – again cutting our Government’s cost.

“We can freeze further increases in personnel. USAID’s staffing alone has already grown by an estimated 22% in just the past two years, for example.

“We can require the reform of the several international development aid agencies run by the U.N., ending the waste caused by staffing and program duplication that ultimately comes out of American taxpayers’ pockets.

“We can insist that governments in developing countries that receive our assistance be as committed to helping their own people as we are, and end purchases of things like self-flattering monuments that fly in the face of our taxpayers’ efforts to help. We shouldn’t be giving aid to corrupt, unaccountable governments to begin with. The focus should be from the grassroots up.

“Our hearing this morning is about the budget requests for USAID and MCC and the need to ensure maximum return on our investments. This hearing also concerns the lessons learned since USAID’s creation fifty years ago, as well as the need for a new assistance concept, which led to the creation of the Millennium Challenge Corporation in the year 2004.

“In that regard, concerns have been raised as to whether the MCC will remain a unique agency that focuses on economic growth and the graduation of countries from dependence on our aid, or if it will begin to fall into the trap of providing more and more assistance agreements with foreign governments, irrespective of U.S. requirements or priorities.

“After more than five decades of providing aid to other countries, we know that assistance can produce dependency and corruption. Ms. Dambisa Moyo, an economist and critic of our current assistance program, made these comments in 2009:

‘...the African Union...estimated that corruption was costing the continent [of Africa] \$150 billion a year, as international donors were apparently turning a blind eye to the simple fact that aid money was inadvertently fueling graft.’

‘A constant stream of "free" money is a perfect way to keep... [a] bad government in power.’

‘The aid system encourages poor-country governments to pick up the phone and ask the donor agencies for [the] next capital infusion.’

‘It is no wonder that across Africa, over 70% of the public purse comes from foreign aid.’

“We know that economic growth is ultimately the only way that development in impoverished countries can be sustained after our assistance programs end—and, at some point, they need to end.

“Today, we have before our Committee two leaders of United States aid agencies who are working hard to meet the challenge of preventing cycles of aid dependency and to create the kind of economic development in those countries that will do just that – develop – while helping those most in need.

“At this point, I would like to recognize my friend and colleague, Congressman Berman, the Ranking Member of the Committee.”

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